Remarks

Claims 1-117 are pending in the application and currently stand rejected. Claims 1, 26, 54, 85 and 114 are independent. Claims 2-25, 27-53, 55-84, 86-113 and 115-117 depend from claims 1, 26, 54, 85 and 114, respectively.

Rejection of Claim 1, 26, 54 and 114 Under 35 U.S.C. § 112

Claim 25 was rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention. Office Action ("OA"), p. 2. However, in a telephone interview on January 25, 2006, the Examiner indicated that the rejection should instead apply to claims 1, 26, 54 and 114. Specifically, the Examiner points to language in claim 1 reciting the limitation of "said company obligating itself to earn a variable number of consumption points over an agreed to consumption period." Claims 26, 54 and 114 recite the same or related language. The Examiner concludes that the claim is indefinite because, "[I]t is unclear to whom the said company is obligating its self too [*sic*] in order to earn consumption points." OA, p. 2.

Applicants respectfully contend that this language does not make claim 1 indefinite. As described in more detail below, pp. 19-23, claim 1 recites a method by which a company can sell under performing assets ("UPA's"). The language of claim 1 sets forth limitations on the seller's side of a transaction following the claimed method. According to these limitations, the company must transfer UPA's to a second party, and the company must assume an obligation to "earn a variable number of consumption points over an agreed to consumption period." In exchange, the company receives a cash and/or asset payment. Claim 1 does not recite the party to whom the company owes an obligation because claim 1 is not intended to limit the buyer's side of the transaction. However, the specification clearly explains to whom the obligation may be owed, "The future purchases can be made from the second party or from a third party or both." Application, ¶ [0022]. Additionally, claims 9-11 describe further embodiments of the invention that comprise limitations on the buyer's side of the transaction. For example, claim 9 recites,

"wherein said future purchases are made from said second party", and claim 10 recites, "wherein said future purchases are made from a third party."

MPEP section 2173.04 explains the relevant doctrine. According to this section, "Breadth of a claim is not to be equated with indefiniteness. *In re Miller*, 441 F.2d 689, 169 USPQ 597 (CCPA 1971). If the scope of the subject matter embraced by the claims is clear . . . then the claims comply with 35 U.S.C. 112, second paragraph." While the scope of claim 1 may be broad enough to encompass embodiments in which the company incurs an obligation to a variety of parties, the claim is limited to those transactions in which the company incurs an obligation, so the scope of the claim is clear.

For these reasons, Applicants respectfully submit that claim 1 *does* particularly point out and distinctly claim the subject matter that Applicants regard as their invention. Applicants further submit that claims 26, 54 and 114 recite similar limitations and also particularly point out and distinctly claim the subject matter that Applicants regard as their invention. Accordingly, Applicants request that the rejection of claims 1, 26, 54 and 114 under 35 U.S.C. § 112 be removed.

Rejection of Claims 1-117 Under 35 U.S.C. § 103

Claims 1-117 were rejected under 35 U.S.C. § 103(a) as allegedly being obvious over U.S. Patent Application Publication No. 2002/0032668 to Kohler, *et al.* ("Kohler") in view of U.S. Patent No. 6,895,386 to Bachman, *et al.* ("Bachman"). OA, p. 2. In order to render a claim obvious by the combination of two or more references, three basic criteria must be met: (1) there must be some suggestion or motivation to combine the reference teachings; (2) there must be a reasonable expectation of success; and (3) the prior art references, when combined, must teach or suggest all the claim limitations. MPEP § 2143.

First, there must be some motivation or suggestion to combine the reference teachings. MPEP § 2143. In *In re Lee*, the Board of Patent Appeals stated, "The conclusion of obviousness may be made from common knowledge and common sense of a person of ordinary skill in the art without any specific hint or suggestion in a particular reference." 277 F.3d 1338, 1341 (Fed. Cir.

2002). The Court of Appeals for the Federal Circuit rejected this position holding that the Board of Appeals had committed "both legal error and arbitrary agency action." *Id.* at 1344. The Federal Circuit required that any finding of obviousness must be "based on objective evidence of record." *Id.* at 1343. Additionally, a finding of obviousness must be supported by "a suggestion, teaching, or motivation to combine the prior art references cited against the pending claims." *In re Dembiczak*, 175 F.3d 994, 1000 (Fed. Cir. 1999). Therefore, a rejection for obviousness under 35 U.S.C. § 103(a) requires the identification of a specific "suggestion, teaching, or motivation" to combine prior art references.

Kohler teaches methods and systems for "enabling a person to person product transfer." Kohler, ¶ [0025]. The methods and systems use a computer network to create a market based on either cash or "barter points." *Id.*, ¶ [0026]. This market allows the exchange of goods between individuals. Bachman describes a method for incentivizing a consumer to use a particular credit card or other financial transaction medium. Bachman, col. 4, ll. 35-49. The consumer receives an asset in exchange for using the credit card based on a percentage of the purchases made using the credit card. *Id.* Applicants respectfully submit that it is unclear if these two inventions can be meaningfully combined. However, even if they can be combined, "the mere fact that references *can* be combined or modified does not render the resultant combination obvious." MPEP § 2143.01; *In re Mills*, 916 F.2d 680 (Fed. Cir. 1990) (emphasis in original). Kohler provides no suggestion or motivation to combine with the teachings of Bachman, and Bachman provides no suggestion or motivation to combine with the teachings of Kohler. Therefore, Kohler and Bachman cannot be properly combined to reject claims 1-117.

Additionally, the prior art references, when combined must teach or suggest all the claim limitations. MPEP § 2143. Kohler in view of Bachman does not teach or suggest all the claim limitations. Claims 1-117 each, directly or by dependence, recite the following limitations.

Claim 1:

> A method for permitting a company to sell UPA's, said method comprising:
>
> transferring UPA's from said company to a second party in return for a cash and/or asset payment;

said company obligating itself to earn a variable number of consumption points over an agreed to consumption period by making future purchases of assets, each purchase having a respective number of consumption points associated therewith . . . .

Claim 26:

A method for permitting a company to sell UPA's, said method comprising:

transferring UPA's from said company to a second party in return for a cash payment from a financial institution;

said company obligating itself to earn a variable number of consumption points over an agreed to consumption period by making future purchases of assets, each purchase having a number of consumption points associated therewith . . . .

Claim 54:

An electronic marketplace enabling companies to enter into deals for the sale of their UPA's, each deal involving at least a company and a UPA buyer and including the sale of UPA's by said company to said UPA buyer, a cash and/or asset payment to said company and an obligation on the part of said company to purchase future assets to fulfill an agreed to consumption point obligation . . . .

Claim 85:

An electronic marketplace enabling companies to enter into deals with at least UPA buyers and financial institutions for the sale of their UPA's, each deal including the sale of UPA's by said company, a cash and/or asset payment to said company and an obligation on the part of said company to purchase future assets to fulfill an agreed to consumption point obligation . . . .

Claim 114:

A method for permitting a company to sell UPA's, said method comprising:

transferring UPA's from said company to a second party in return for a cash and/or asset payment;

said company obligating itself to make future purchases of assets, wherein the amount of future purchases is variable . . . .

Each of these claims requires the sale of UPA's. The sale involves a company, the seller, and one or more other parties (i.e., a financial institution, trading house, etc.). As a result of the transaction, the seller gets a cash and/or asset payment, and the seller tenders the UPA's and an

obligation to make future purchases. The amount of the future purchases is governed by the agreed upon number of consumption points.

The Examiner contends that Kohler in view of Bachman teaches an embodiment of the invention. As the Examiner concludes, Kohler alone does not disclose the invention, and Applicants respectfully submit that Bachman cannot supply the limitations lacking in Kohler. Bachman teaches a system in which a consumer, the buyer, makes a purchase from a seller using a specific financial transaction medium, such as a credit card. Bachman, col. 4, l. 35 to col. 5, l. 40. The credit card is co-branded by a third party. *Id.*, col. 4, ll. 61-67. When the buyer makes a purchase it is this third party, *not the seller*, that assumes an obligation to make future purchases on behalf of the buyer. *Id.*, col. 5, ll. 5-10 ("When incentive points are redeemed, either the card issuing institution, the co-branded corporation or a combination of the two pay for the stock purchase on behalf of the customer in exchange for redemption of the accrued incentive points."). Accordingly, Bachman does not teach a system in which the seller incurs an obligation to make future purchases as required by claims 1-117.

It may be useful to compare an example of an embodiment of the claimed invention with an example of the teachings of Bachman. In an embodiment of the invention, a company sells its UPA's to a trading house. The trading house pays cash to the company, and in addition to the UPA's, the company also gives the trading house a commitment to make future purchases from the trading house, as governed by an agreed level of consumption points. Contrast this with Bachman's teachings. In Bachman, a seller, perhaps a grocery store, sells items to a consumer. The transaction is completed using a particular credit card. The consumer gets his groceries, and in return, the grocery store gets money by way of the credit card company. Further, as a reward for using the particular credit card, a third party, the co-branding company or the credit card company, agrees to purchase assets on behalf of the consumer. In order to make this Bachman example fit with an embodiment of the invention, the grocery store, as the seller, would have to assume an obligation to make future purchases from the consumer as additional payment for the consumer buying the grocery store's goods. As illustrated here, Bachman does not teach the

seller incurring an obligation to make future purchases and consequently does not teach each of the limitations of claims 1-117.

Finally, claims 1-117 each recite the sale of UPA's. Neither Kohler nor Bachman teach the sale of UPA's. In discussing Kohler, the Examiner equates UPA's with "products." However, UPA's are not merely products. UPA's have characteristics such that it would not be obvious to use the same method to sell UPA's as used to sell other products. As discussed in the application, UPA's have a negative book value. Application, ¶ [0002-03]. It is this negative book value that induces the seller to tender the additional obligation for future purchases. In contrast, the products sold in Kohler and Bachman do not have a negative book value. Because of this unique characteristic of UPA's, it would not be obvious to apply the teachings of Kohler and Bachman to UPA's. Kohler and Bachman do not teach the sale of UPA's; therefore, they do not teach each of the elements of claims 1-117.

Applicants believe, for at least the reasons stated herein, that claims 1-117 are allowable and respectfully request that the rejection of these claims be withdrawn.

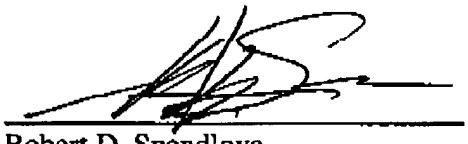
Conclusion

Applicants believe that all rejections in the Office action have been addressed by the remarks above. If there are any questions concerning this Response, Applicants welcome a telephone call or interview with the Examiner and the undersigned Applicants' representative.

No fee is believed to be due in conjunction with this amendment. If any fees are due, the Commissioner is authorized to debit those fees from the undersigned's Deposit Account No. 50-0206.

Respectfully submitted,

HUNTON & WILLIAMS

Dated: 26 Jan 2006 By: 

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